GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

DEPARTMENT OF FINANCE
TAXATION AND FISCAL POLICY BRANCH

Bulletin No: Gas 303
Issue Date: January, 2000

TAX INFORMATION BULLETIN
GASOLINE TAX ACT
Fuel Used in Mineral Exploration and Pre-production of a Mine

Effective January 1, 2000, the Gasoline Tax Regulations have been amended with respect to the exemption/rebate respecting exploration and mining.

Mineral Exploration

The exemption/rebate for mineral exploration applies with respect to gasoline consumed on an exploration site in equipment used for the exploration of a mineral, other than fuel used in aircraft and equipment required to be licensed under the *Highway Traffic Act*.

An exploration site means a site where a person has a right to explore for minerals, but does not include a site within, over or upon an area for which a mining lease has been issued. Exploration licenses are issued under authority of the *Mineral Act* by the Department of Mines and Energy.

Pre-Production of A Mine

The exemption/rebate applies with respect to gasoline consumed in mining equipment prior to the commencement of commercial production in an area contained within a mining lease. Mining leases are issued under authority of the *Mineral Act* by the Department of Mines and Energy. Once a mine reaches commercial production, the exemption/rebate no longer applies.

For the purposes of this exemption/rebate, mining equipment means equipment, other than equipment required to be licensed under the *Highway Traffic Act*, used directly for mine site preparation, removal of consolidated and unconsolidated material overlaying an ore body, and excavating, transporting and handling minerals up to and including primary crushing, but not beyond.

Tax Exemption/Rebate

Under the *Gasoline Tax Act*, "gasoline" refers to any liquid capable of being used for the purpose of generating power in an internal combustion engine, and includes, for instance, diesel fuel. A person acquiring diesel fuel for purposes described above must apply to the Department of Finance for an exemption permit in order to obtain the dyed fuel exempt from tax. A person acquiring any other grade of gasoline for purposes described above must pay the gasoline tax at the time of acquisition, and apply to the Department of Finance for a refund.

Should you require information regarding this matter please contact:

Tax Administration Division
Confederation Building
P.O. Box 8720
St. John's, Nfld.
A1B 4K1
Phone: (709) 729-6297
Fax: (709) 729-2856

Disclaimer: These bulletins are prepared as guidelines and interpretations of the statutes. Where a conflict between the bulletins and statutes arise, the statutes will take precedence.